

FISCAL NOTE

SB 2835 - HB 2937

March 2, 2008

SUMMARY OF BILL: Requires the Tennessee Department of Transportation (TDOT) to coordinate all financial resources provided for public transportation services for populations requiring specialized assistance. Any state entity issuing a grant or making an expenditure for such services will be required to coordinate with TDOT and obtain prior approval. Local entities receiving federal or private grants will be required to file a report including grant amounts and purpose prior to the expenditure of such funds.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$43,700/One-Time/General Fund
\$394,600/Recurring/General Fund**

**\$ 11,200/One-Time/Highway Fund
\$118,400/Recurring/Highway Fund**

Other Fiscal Impact – TennCare will be reimbursed for half of the cost of the new positions required by the bill. This will result in an increase federal revenue to the State. The one-time increase in federal revenue to the state is estimated to be \$9,900. The recurring increase in federal revenue to the state is estimated to be \$97,600.

Assumptions:

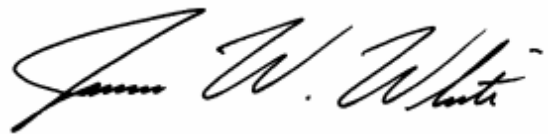
- TennCare provides approximately \$70,000,000 in transportation services annually according to federal guidelines and as required by court order through the Grier Consent Decree. Such services are provided through managed care organizations (MCO's) and private subcontractors. Three new positions will be required to provide coordination with these entities and TDOT.
- The recurring cost for such positions is estimated to be \$195,300 for salary (\$133,200), benefits (\$45,300), printing (\$900), office space (\$8,100), phones (\$1,800), office supplies (\$900), network connections (\$3,600), and an annual contribution to the equipment replacement fund (\$1,500). The one-time increase in state expenditures for office

landscaping (\$10,800), PC's (\$6,000) and printers (\$4,500) is approximately \$21,300.

- The federal government will reimburse the state for half of the new position costs for TennCare. This will result in a recurring increase in federal revenue to the state of \$97,600 and a one-time increase of \$9,900.
- TDOT will require two positions to coordinate with state and local agencies. The recurring cost for such positions is approximately \$118,400 for salary (\$80,000), benefits (\$27,200), printing (\$600), office space (\$5,400), phones (\$1,200), office supplies (\$600), network connections (\$2,400), and an annual contribution to the equipment replacement fund (\$1,000). The one-time increase in state expenditures for office landscaping (\$7,200) and PC's (\$4,000) is approximately \$11,200.
- The Department of Human Services (DHS) provides approximately 140,000 trips for clients annually that would be covered by the provisions of this bill. Such services are either performed by the department or through contract. Coordination of these services with TDOT will require DHS to hire four additional persons.
- Recurring costs for the DHS positions are estimated to be approximately \$199,300 for salary (\$132,000), benefits (\$44,880), printing (\$1,200), office space (\$10,800), phones (\$2,400), office supplies (\$1,200), network connections (\$4,800) and an annual contribution to the equipment replacement fund (\$2,000). One-time costs for office landscaping (\$14,400) and PC's (\$8,000) are estimated to be \$22,400.
- If increasing the administration requirements for the provision of transportation services were to inhibit the timely delivery of transportation services by DHS, this could jeopardize approximately \$6,390,000 in federal funds to DHS for the Temporary Assistance For Needy Families Program (TANF).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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